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The highly efficient psychologist

Future-focused tips for working in private practice

This article explores ways in which individual psychologists and group practices can adjust their practice to become highly efficient, and offer excellent value-for-money services to their clients. We advocate for a model that focuses on key areas including structure, sustainability, communications and administration. We also explore the future of innovation in private practice which is likely to drive future productivity and efficiency gains.

COVID-19 has driven a wave of business circumstances which have benefited private practice psychologists. Federal funding has expanded the ease of access for online initiatives like telehealth, and duration of access to care (such as COVID-19 additional sessions). Coupled with the extraordinary demand for services, this has created unprecedented business opportunities for psychologists. The number of practices, particularly small and sole operator practices, has grown significantly and there has been a huge capacity for psychologists across the nation to increase fees. This capacity, known as pricing power, refers to the ability to increase overall pricing levels without losing demand for services. It is likely that we have seen the high-water mark for pricing power and a return to more normal business conditions is underway. Practices will now be challenged to focus on the quality of service provided, overall productivity and efficiency to remain viable in an increasingly competitive environment.

Structure of practice

Funding bodies

The productive psychologist knows their efficiency is the sum of what they do and don't do. Consider your clinical expertise, skills and capacity when making decisions about which funding bodies to work with. Where are your skills best utilised? Are they slow to provide payment? Is the administration time taken to obtain payments disproportionate to the funding received? Expand the number of funding bodies you work with over time, slowly and strategically, based on a sound awareness of the nuances of the funding body.

It's a good idea to seek written clarification from the funding body directly and take time to read the rules available from the original source. Medicare, for example, offers the use of the advice service askMBS@health.gov.au. Funding bodies often offer training and education regarding things they they require from health professionals. Be proactive and get involved in training opportunities to ensure a high level of up-to-date knowledge of funding body requirements. Don't rely on advice from colleagues or social media for funding-body rule clarifications.

Psychologist days and hours

A psychologist working two days a week is the minimum for an efficient and productive arrangement in a group private practice. Any less and the cost to the practice for administrative inefficiency is likely to make the arrangement unsatisfactory. If you work in a solo private practice with your own reception, we suggest you dedicate three full days with at least five clients per day to achieve efficiency. Less will require either higher fees for clients or reduced income for the psychologist. Psychologists working less days also provides inadequate scheduling flexibility, which can lead to increased client dissatisfaction.

The psychologist/practice agreement should clearly stipulate expectations for the number of clients to be seen each day and particular emphasis should be placed on the agreed expectations of psychologist availability for the most in-demand hours, i.e. 9am, 4pm and after hours. The highly efficient psychologist is empathetic and flexible to the requirements of clients and their flexibility results in higher engagement and less drop-out.

Outcome measures

The highly efficient psychologist embraces session-by-session outcome measures and client feedback. Outcome measures and client feedback improve outcomes, reduce drop-out rates (and by extension reduces correspondence to referrers), cancellations and reschedules, and psychologist burnout. Overall, this leads to greater work satisfaction as clients will be happier with the treatment they receive.

Know your own diary

Know your availability and the status of your waitlist. Don't send a client to reception for an appointment in a week when there is nothing available for two weeks. Ideally make the bookings with the client yourself, as this is gold standard engagement. The client is more likely to attend the session when the appointment has been set deliberately with a clear rationale for the timeframe. The highly efficient psychologist makes appointment bookings a part of the session.

Goal-setting

Ensure you have clear goals and priorities for your private practice. Consider how many attended appointments you aim for per week (measure total appointments provided using a six-week rolling average to account for the inevitable fluctuations in a private practice). Consider the revenue target you want to achieve. How efficient is your communication with your referring GPs? How efficient are you with completing note-taking responsibilities?

Develop clear priorities for your reception team so they know their daily and weekly tasks. A team can only deliver when they have a clear understanding of what is expected.

The highly productive private-practice psychologist has clear goals and a long-term focus, and understands their practice evolves over time.

Consistency within a group practice

Have one set of rules across a group practice. Clear rules result in a productive practice with administrative cohesion. Multiple systems as dictated by individual psychologists in a team setting create

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administrative chaos and ultimately client dissatisfaction. Use the potential efficiency of the scale of a group practice to improve productivity. Be clear with your colleagues as they join your practice about expectations and processes.

Practice owners should be discerning and resist the urge to just accept any registered psychologist, even within the current highly competitive employment landscape. Ensure the prospective psychologist is willing to fit with the policies and processes of the practice. Practice owners and psychologists need to remember that multiple processes always involve hidden costs.

The highly efficient psychologist declares war on hidden costs that don’t offer value to clients.

Sustainability

Policies and processes

Implementing policies and processes that make your practice sustainable in the long-term is critical. Psychologists are sometimes motivated to change private practices to allow for a reset and this reset can significantly improve the psychologist’s working conditions and income as they recommence with new clients, on new terms set by the new practice. This is often a short-term strategy however, unless the psychologist changes their approach to boundary setting. Wavering non-attendance fees, agreeing to bulk-bill and reduce fees, writing unpaid or highly discounted reports might be the easy option – and may even make us feel good – but resentment can build. Clients come to expect these concessions and may pressure you to continue providing them. Having a list of non-negotiables and placing firm limits is the only path to becoming a sustainable and highly productive private-practice psychologist.

Know your real hourly income rate

What is your real hourly rate of take-home pay once you have included all your costs including annual leave, sick leave, superannuation, professional development, supervision, membership and registration fees, insurance, IT equipment and other expenses? Working this figure out can be confronting. Knowing your actual hourly rate allows you to set goals for using your time efficiently.

Communications

Correspondence is a time-consuming activity which few funding bodies provide specific funding for. GP letters are the single most important marketing activity for private practice psychologists, and allocating time to creating clear, in-time communication is important. Be aware of the written communication requirements for funding bodies and adhere to those requirements. Develop processes in your note-taking where you develop a clear and concise formulation of the client so writing the letter is just a bringing together of information developed over the sessions. Use letter templates that reflect your own personal style rather than generic software generated templates.

Electronic notes

Paper files lead to storage issues, have associated retrieval costs and create unnecessary stationery expense. Practice management software allows for the downloading of an entire file in a format suitable for sending electronically within minutes. There are now products which are well suited to the needs of psychologists writing electronic notes (e.g. Remarkable 2 or Dragon Naturally Speaking). The productive psychologist embraces technology and works towards technological excellence.

eFax and secure messaging

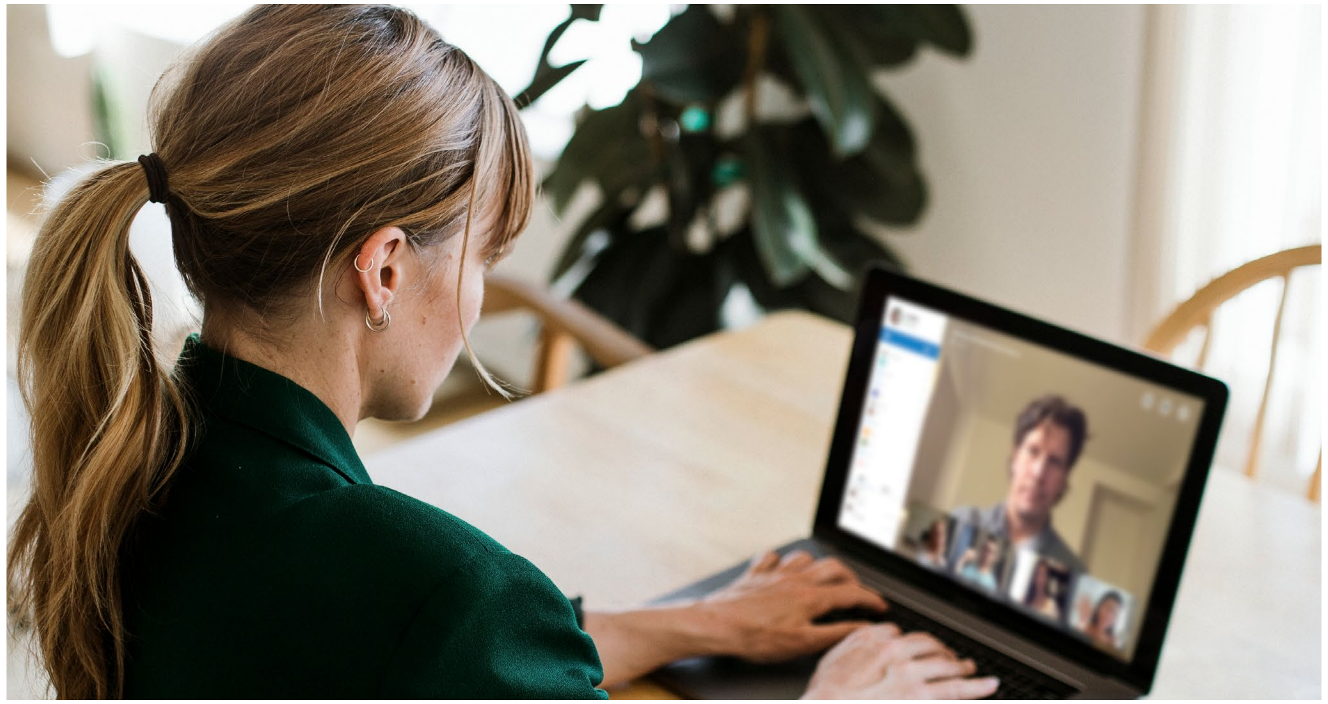
Efficient and professional communication with referrers and stakeholders is a must. Your electronic notes, letters and reports should be available for immediate transmission upon request using secure networks. Postal letters are inefficient and costly.

Client text messaging communication

Text messaging is often preferred by clients and reminder texts reduce cancellations. Have a mobile number available for clients to contact reception for easy communication.

Reception and administration

Never underestimate the importance of your reception staff; they are the face of your practice and the first contact for referrers, funders and clients. Be clear in how you want your practice to be represented. Structured and efficient reception is critical to achieving a structured and efficient practice.



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Meetings

If you employ your own reception and administration staff, have a short weekly or fortnightly one-on-one meeting with each team member. This shows ongoing support for your reception as well as giving them a defined time for non-urgent questions. It also allows you to develop processes including clear reception priorities and feedback regarding client satisfaction. Perhaps most importantly, it demonstrates the value you place on the significant role they play in your practice.

Weekly updates

Structure your reception team's work week so they provide you with weekly updates on each of your key performance indicators such as new referrals, number of services provided, total revenue, appointment cancellations and replacement rate, and outstanding accounts.

Invoices and outstanding accounts should be attended to daily and reported weekly. For outstanding accounts, visible transparency is critical to fast resolution. Make sure the psychologist and receptionists regularly see the outstanding accounts.

The highly efficient psychologist has processes in place to clearly see how they are tracking on the variables critical to their business success.

Cancellation management

How we manage and minimise cancelled and rescheduled appointments is critical to efficiency. Develop a method of collecting cancellation data to refine your processes. Why are clients cancelling and rescheduling? Ensure that the practice manager, reception, psychologists and clients are involved in minimising cancellations. Cancellations, and particularly unfilled appointment data, is critical to making an informed decision about how many new referrals to take on over time.

Online bookings and intake forms

Work with your reception team to develop online booking options and electronic intake forms that clients can understand and are simple to use. Use client and reception feedback to refine this process. Empathy for the client experience must be central to designing these facilities. Don't be dogmatic about what the solution looks like – be willing to adapt to client needs.

Booking clients subject to a GP review

The highly efficient psychologist doesn't pre-empt the GP review process and only schedules the next appointment at the end of a treatment episode upon receipt of the GP review. Too many clients cancel because they haven't obtained the necessary review, or worse, turn up for the appointment only to be informed that no Medicare rebate is available. Pre-empt difficulties getting the GP review completed in a timely manner; one or two sessions before the review will be required, have a discussion with the client about the review being required at a certain date and to book in with their GP in preparation.

Efficiency predictions

A forecast for 2030

1 The number of psychology practices in Australia will reduce as regulatory costs, such as practice accreditation, will create a trend towards larger group practices and away from solo/small practices. Small practices will become narrowly focused niche businesses with very specific clientele and a single (or small) number of funding bodies. Only large practices will have the scale to be able to efficiently service a wide spectrum of mental health consumers and their funding bodies.

2 All funding bodies will require mandatory outcome measures to satisfy their best evidence-based practice policy, and we will see psychologists become more productive as a result. We will likely see rapid technological advance to support psychologists in efficiently and effectively incorporating outcome data into their practice.

3 There will be refined benchmarking of outcome measures for different funding bodies. A psychologist working with a NDIS client, for example, will not be expected to deliver the same effect size as a psychologist working with a Medicare client. This benchmarking will appease the concern among psychologists about working with complex clients in an environment of transparent outcome measure-based treatment.

4 Approval for providers to bill a funding body will require completing an exam, like a driver's licence test. It will be introduced as a compliance measure but will in turn improve psychologists' productivity, as psychologists optimally manage their compliance responsibilities.

5 New referrals and financial success in private practice will become highly correlated with actual achieved outcomes with clients as funding bodies, referrers and clients gain access to data on psychology practices' actual real-world performance. Clients and referrers will have greater transparency to make informed decisions about where to access mental health services that have a proven track record of achieving excellent outcomes.

6 Federal government-funded digital resources will be routinely used by GPs to refer clients to psychologists in an evidence-based manner based on the psychologist's demonstrated performance with clients with similar attributes to the client being referred. Evidence-based matching of clients with psychologists will become widely recognised as the single greatest advance ever in the history of psychology for productively treating mental health issues.

7 Well-utilised digital mental health psychoeducation resources will be highly integrated into the GP assessment and referral process (i.e. Head to Health) making clients more informed consumers about their diagnosis and evidence-based treatment options when they first interact with a psychologist. This will reduce the number of sessions that a psychologist will have with each client, as the client will, in the era of a fully integrated stepped-care model, have received what services can be delivered competently by a lower skilled mental health worker or digital technology before commencing with their psychologist.

8 Measurement-based care will become the universally recognised term replacing terms like routine outcome monitoring, feedback-informed treatment and progress monitoring, just as those terms are becoming accepted as undisputed elements of best practice. Wearable devices (such as Garmin and Fitbit-type devices) that provide automatically uploaded data on a range of health variables will have evolved to include a multitude of variables directly relevant to mental health wellbeing. Client data will be automatically uploaded to your practice software on variables including sleep, stress levels, weight and exercise. The data will then be available to both the psychologist and client in user-friendly graphs with automated guidance on how to improve the measures further. The highly efficient psychologist will embrace this technological disruption to their traditional role of monitoring and guiding client progress towards established goals.

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